

SERIAL 02081 RFP WASTE TIRE RECYCLING REMOVAL AND FINAL DISPOSAL

DATE OF LAST REVISION: July 14, 2006

CONTRACT END DATE: January 01, 2013

CONTRACT PERIOD THROUGH JANUARY 01, 2013

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **WASTE TIRE RECYCLING REMOVAL AND FINAL DISPOSAL**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **November 20, 2002 (Eff. 01/02/03)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

CH/mm
Attach

Copy to: Clerk of the Board
Bill Thornton, Solid Waste Management
Kathy Sicard, Materials Management

(Please remove Serial 99238-RFP from your contract notebooks)



CONTRACT FOR SERVICES PURSUANT TO RFP WASTE TIRE RECYCLING, REMOVAL AND FINAL DISPOSAL

SERIAL 02081-RFP

This Contract is entered into this **2nd** day of **January, 2003** by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and CRM CO. LLC (CRM) a California corporation ("Contractor") for the purchase of WASTE TIRE RECYCLING, REMOVAL AND FINAL DISPOSAL services.

1.0 TERM

- 1.1 This Contract is for a term of TEN (10) years, beginning on the 2nd day of January 2003 and ending the 1st day of January, 2013.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional five (5) year terms up to a maximum of two (2) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as EXHIBIT A.
- 2.2 Payment shall be made after the tires are processed and upon receipt of the affidavits and payment documents listed below and as revised by the County from time to time. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. The format for invoices shall be in the form attached as EXHIBIT C. All invoices, shall be accompanied by the following documents:
 - 2.2.1 An affidavit signed by the plant manager and certified by the CEO, CFO and/or President of the company to the fact that the recycling volumes listed in the affidavit are correct. All signatures will be duly notarized as to their authenticity. A sample format is attached as EXHIBIT D. The form of the affidavit is subject to revision as needed by the Solid Waste Management Department (SWMD) of Maricopa County.
 - 2.2.2 A second copy of the waste tire removal manifests signed by the SWMD cashier/attendant. No substitution will be acceptable.
 - ~~2.2.3 Originals of unconditional lien waivers duly signed by the subcontractors. A sample format is attached as EXHIBIT E. The form of the lien waiver is subject to revision, if needed.~~
 - 2.2.4 A current progress report in the form specified in EXHIBIT B.
- 2.3 No payment will be made to the contractor unless the documents specified in Section 2.2 are complete.

3.0 DUTIES

3.1 The Contractor shall timely perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as EXHIBIT B.

3.2 Contractor agrees to perform services at the location(s) and time(s) stated in EXHIBIT B.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the negligence of the County.

4.1.2 Insurance Requirements.

Contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self-insurance maintained by the County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the County.

The Contractor shall be solely responsible for the deductible and/or self-insured retention and the County, at its option, may require the Contractor to secure payment of such deductibles or self-insured retention's by a surety bond or an irrevocable and unconditional letter of credit.

The County reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insured.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

- 4.1.2.1 Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision, which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 11 85, and shall include coverage for Contractor's operations and products and completed operations.

If the Contractor subcontracts any part of the work, services or operations awarded to the Contractor, Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the performance of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

- 4.1.2.2 Automobile Liability. Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 4.1.2.3 Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

If any work is subcontracted, the Contractor will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the Contractor.

4.1.3 Certificates of Insurance.

- 4.1.3.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and

effect. Such certificates shall identify this contract number and title. If a policy expires during the life of this Contract, a renewal certificate must be sent to the County fifteen(15) days prior to the expiration date.

In the event any insurance policy(ies) required by this Contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

4.1.4 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty-(30) day's prior written notice to the County.

4.2 REQUIREMENT OF CONTRACT BOND:

Concurrently with the submittal of the Contract, the Contractor shall furnish to the Maricopa County Materials Management Department the following bonds, which shall become binding upon the award of the contract to the Contractor. The bonds must be in a form and the terms thereof must be acceptable to Maricopa County. The contract award is subject to cancellation in the event that the Contractor does not provide Performance and Payment bonds acceptable to Maricopa County.

4.2.1 A **Performance Bond** in the amount of **\$500,000.00** conditional upon the faithful performance of the contract in accordance with the specification, terms and conditions. Date of US postmark will be accepted as date of delivery of performance bond. Contractor is required to tender this bond on a document approved by the Arizona Department of Insurance. A cashier's check, certified commercial check, irrevocable letter of credit or certificate of deposit, will be accepted in lieu of bond. Performance bonds are to be identified with bid serial number, title and return address.

4.2.2 A **Payment Bond** in the amount of **\$250,000.00** shall be required. The county shall have the right to request verification from any subcontractor as to the monthly amount incurred by the contractor. Contractor is required to tender this bond on a document approved by the Arizona Department of Insurance. A cashier's check, certified commercial check, irrevocable letter of credit or certificate of deposit, will be accepted in lieu of a bond. Payment bonds are to be identified with bid serial number, title and return address.

Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

Each such bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance. The bonds shall not be executed by an individual surety or sureties. The bonds shall be made payable and acceptable to the Contracting Agency. The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official. In addition, said company or companies shall be rated "Best-A++" or better as required by the Contracting Agency, as currently listed in the most recent Best Key Rating Guide, published by the A.M. Best Company.

4.3 PENALTIES DUE TO NON-PERFORMANCE

4.3.1 Backlog Inventories of Waste Tires

Contractor shall meet or exceed the performance schedule for removal and recycling of waste tires as detailed in EXHIBIT F. Failure to meet or exceed said schedule at any

time may be considered a breach of contract. Alternatively, the County may notify Contractor that Contractor is behind schedule and that the County will levy liquidated damages unless within 30 days the Contractor has brought its performance current with the requirements of EXHIBIT F. Liquidated damages shall be levied for each day commencing on the 31st day after notice is mailed by the County. The parties agree that it would be difficult and impractical to ascertain the damages the County would incur in the event the Contractor fails to adhere to the performance schedule. Accordingly the parties agree that liquidated damages of \$500.00 per calendar day will be levied until the Contractor is in conformance with the original schedule or until the contract is terminated by the County. The County shall have the right to retain any liquidated damages from payment that may be due to Contractor for every calendar day past thirty (30).

4.3.2 New Influx of Waste Tires

Liquidated damages of \$500.00 per calendar day will ~~also~~ be levied against the Contractor, if maximum storage after ~~May 1, 2004~~ exceeds 2,000 tons **of incoming Maricopa County whole waste tires** at the ~~Northwest Regional storage site Contractor's recycling facility located at Queen Creek or any~~ future substituted location **in Maricopa County**. ~~The \$500.00 per day will also be applied to the Queen Creek storage site if maximum storage after October 1, 2003 exceeds 130 tons.~~ These liquidated damages will be subtracted from the Contractor's monthly payment.

~~4.3.3 Default~~

~~If maximum storage after May 1, 2004 exceeds 6,000 tons at the Northwest Regional storage site and/or 390 tons at the Queen Creek storage site, Contractor will be considered in default.~~

4.4 NOTICES:

All notices given pursuant to the terms of this Contract shall be in writing addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003

For Contractor:

CRM CO. LLC
Attn: H. Barry Takallou, President
15800 S. Avalon Blvd.
Rancho Dominguez, CA 90220

4.5 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made. Orders will only be placed when County identifies a need and issues a purchase order.

Contractor shall take no action under this Contract unless specifically requested by County, which shall submit a written purchase order to Contractor requesting that work be performed or product be delivered.

County reserves the right to cancel purchase orders within a reasonable period after issuance. Should a purchase order be canceled, the County agrees to reimburse the Contractor for actual and

documented costs incurred by the Contractor pursuant to the purchase order prior to cancellation. The County will not reimburse the Contractor for any costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order.

Contractor agrees to accept verbal cancellation of purchase orders.

4.6 ESCALATION:

Annual requests for reasonable price adjustments must be submitted thirty (30) days prior to the Contract anniversary date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. Adjustments to price are effective only upon written notice to Contractor. **The applicable Producer Price Index (PPI) shall be Series ID PCU421930421930C. Price adjustments shall be determined using the previous twelve (12) months posting of non-preliminary data.**

4.7 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing one hundred eighty (180) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than twenty (20) days after County has notified Contractor and its Surety of its intention to declare default, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.9 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the bid price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.14 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.15 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.16 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.17 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, bids, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.18 PROMPT PAYMENT DISCOUNT

Maricopa County; through its "Continuous Improvement Initiatives" has identified Payment as a process requiring attention and improvement. Maricopa County has initiated changes in this area, which are intended to both improve and expedite this process. In light of these efforts, SWMD encourages contractor to offer discounts for payment made within 10 days of the submittal. If contractor wishes to avail this option, the invoice must indicate so. Failure to indicate a term will result in the County applying Net 30 days as Contractor's terms.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A

02081-RFP-WASTE TIRE RECYCLING REMOVAL AND FINAL DISPOSAL

PRICING

SERIAL 02081-RFP

PRICING SHEET S050909/B0606340

BIDDER NAME: CRM OF AMERICA CO., LLC

F.I.D./VENDOR #: W000004062 X

BIDDER ADDRESS: 11400 E Pecos Road, Queen Creek, AZ 85242

P.O. ADDRESS: 15800 South Avalon Boulevard
Rancho Dominguez, California 90220

BIDDER PHONE #: 310/538-2222 480/987-3006

BIDDER FAX #: 310/538-2227 480/987-0965

COMPANY WEB SITE: N/A

COMPANY CONTACT (REP): Dawn Helms

E-MAIL ADDRESS (REP): dhelms@crmrubber.com

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: XX YES ____ NO

ACCEPT PROCUREMENT CARD: ____ YES XX NO

REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD: ____ YES XX NO ____ %
REBATE

(Payment shall be made within 48 hrs utilizing the Purchasing Card)

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: XX YES ____ NO

PAYMENT TERMS: NET 30 _____

INDICATE PERCENTAGE OF M/WME PARTICIPATION IF ANY HERE N/A

1.0 PRICING:

<u>TIRE TYPE</u>	<u>LOCATION</u>	<u>RATE PER TON</u>
1.1 Passenger & Light Truck	Queen Creek	<u>\$ 71.90</u> 65.65 Effective 1/06/06 \$ 48.50 50.93 62.64 effective 01/21/2005
1.2 Passenger & Light Truck	NW Regional	\$ 48.50 50.93 62.64 effective 01/21/2005
1.3 Truck	Queen Creek	<u>\$ 88.81</u> 81.08 Effective 1/06/06 \$ 59.90 62.90 77.37 effective 01/21/2005
1.4 Truck	NW Regional	\$ 59.90 62.90 77.37 effective 01/21/2005
1.5 Off-Road	Queen Creek	<u>\$ 133.28</u> 121.68 Effective 1/06/06 \$ 89.90 94.40 116.11 effective 01/21/2005

EXHIBIT A

<u>TIRE TYPE</u>	<u>LOCATION</u>	<u>RATE PER TON</u>
1.6 Off Road	NW Regional	\$ 89.90 94.40 116.11 effective 01/21/2005
1.7 Off Road (Rimmed)	Queen Creek	<u>\$ 133.28</u> 121.68 Effective 1/06/06

MILEAGE:

Transportation charges applicable to the tire types above: **\$ 0.24 per loaded ton mile or**
 \$ 290.00 minimum load

Transportation charges shall not apply within Maricopa County.

OTHER SERVICES:

Recycle/Disposal of existing Maricopa County ("Legacy") tires **\$584,750.00**

EXHIBIT B

02081-RFP-WASTE TIRE RECYCLING REMOVAL AND FINAL DISPOSAL

SCOPE OF WORK

This contract encompasses removal and final disposal of waste tires currently stockpiled, and continually deposited, at Maricopa County's two waste tire collection sites located at Queen Creek Landfill, 26402 South Hawes Road, Queen Creek, Arizona 85242; and Northwest Regional Landfill located at 195th Ave & Deer Valley Road. The types of tires at each site are:

- All Passenger tires-Queen Creek and Northwest Regional
- All Semi-truck tires-Queen Creek and Northwest Regional
- All Off road tires-Queen Creek and Northwest Regional

This Scope of Work is further expanded to include waste tires received from Governmental Agencies outside Maricopa County. Agencies shall be responsible for the transportation of waste tires to the Contractor. The Contractor's transportation charges are reflected under EXHIBIT A.

This scope of work includes tires received after and before awarding of the contract including but not limited to the backlog existing at both collection sites. The Contractor further agrees that Maricopa County reserves the right to change the location of these sites during the course of the contract, if needed.

The estimated stockpiles at each location as of this date are included as ATTACHMENT 1 to this SCOPE OF WORK. The stockpile of passenger tires at the Northwest Regional Landfill is of grave concern to Maricopa County. It is therefore imperative that the Contractor concentrate on removal and processing of these tires on a priority basis. To ensure reduction of this stockpile in a timely fashion, all truck and OTR tires will be processed under current Maricopa County contracts through June 30, 2003. It is the sole responsibility of the Contractor to make arrangements with the owner of Northwest Regional Landfill to remove tires during non-operating hours. Contractor shall maintain tire removal areas with appropriate dust control and cell configuration to fully comply with all Federal, State and Local laws and regulations.

Ownership of any waste tires removed from County collection sites by or on behalf of Contractor shall vest in Contractor at the time the tires leave the Maricopa County collection sites. Thereafter, Contractor shall bear full responsibility for recycling and/or disposal of said tires in accordance with all applicable law. Contractor, in addition to all other obligations under this contract, shall pay any civil penalties imposed upon the County pursuant to Arizona Revised Statutes section 44-1307 for waste tires, the ownership of which has vested in the Contractor. Contractor further agrees to pay or to reimburse the County for any costs and expenses of any nature, including reasonable attorney's fees, which the County may incur for the proper recycling and disposal of waste tires the ownership of which has vested in the Contractor, and of which the Contractor failed to recycle. The Performance Bond posted by the Contractor shall extend to ensure the performance of these obligations.

The Contractor shall supply all resources and equipment to load, unload, process and recycle tires to its final disposition by one of the methods as listed below. The mutually agreed acceptable methods of recycling are as follows:

1. Grinding for use in asphalt and as a raw material for other products.
2. Constructing collision barriers.
3. Controlling soil erosion or for flood, control only if used in accordance with approved engineering practices.
4. Retreading or recapping.
5. Use as playground equipment or playground cover.
6. Use as a building material for building construction in accordance with applicable city, town, and county building codes.

Other methods of recycling may be proposed by the Contractor as additional advancements in Civil Engineering and Technology are developed. However, the Contractor shall note that all method(s) of

recycling or final disposal of waste tires must be acceptable under the statutes, rules and regulations of the State of Arizona and the Arizona Department of Environmental Quality (ADEQ) throughout the term of this contract.

Failure to obtain necessary approvals and permits causing delay in processing of waste tires will not be considered as a legitimate excuse for delay in processing. Maricopa County is not responsible for obtaining any approvals or permits, as it is the sole responsibility of the contractor.

The Contractor agrees to the following detailed elements of work unless modified by mutual agreement and approved in writing by the Solid Waste Management Department (SWMD) of Maricopa County.

PHASE I

- All waste tires including current inventory and continuous influx will be loaded into trailers and transported to Crumb Rubber Manufacturers (CRM) processing facility in Los Angeles, California by registered waste tire haulers.
- All equipment for loading waste tires will be owned and operated by CRM or its subcontractor(s).
- CRM will mobilize and begin removing the waste tires within **one- week** after receipt of notice to proceed.
- The Shipment of whole tires will continue until the Contractor can arrange with the owner of Northwest Regional Landfill to shred tires at the landfill. It is the sole responsibility of the contractor to acquire permissions and approvals from private and public entities to process tires.

PHASE II

- Subject to the approval of the Lessor of the Northwest Regional landfill, the Contractor will install at the Northwest Regional Landfill a shredder to shred waste tires into 6" primary shreds. This work shall be completed in **nine weeks** after receipt of notice to proceed. Shreds will then be loaded into trailers and transported to CRM processing facility in Los Angeles, California by registered haulers to produce crumb rubber. If the Contractor is unable to accomplish the shredding of the volume required by this Contract at the Northwest Regional landfill site, then whole tires in an amount necessary to meet the contract volume requirements will be loaded and shipped to its facility in Los Angeles.

PHASE III

- **Sixteen weeks** after receipt of Notice to Proceed a new shredder will be installed. This shredder will process primary shred (from Phase II) into minus ¾" granules. Contractor has an option to install the shredding equipment at the location of its choice to accomplish shredding.
- The ¾" granules will then be loaded into trailers and transported to CRM processing facility in Los Angeles, California by registered hauler. Contractor shall obtain all necessary approvals prior to export.

PHASE IV

- On or before August 1, 2003, the Contractor will discontinue shipments of Maricopa County waste tires out of Maricopa County and will start processing all Maricopa County waste tires in Maricopa County. No time extension will be allowed. Any delay in operations of this facility will constitute a default of the contract.
- On August 1, 2003 sufficient processing capacity shall exist in Maricopa County to process all tires such that the backlog never exceeds the limits outlined in Section 4.3.2 of the contract.
- On or before October 1, 2003, the current inventory of waste tires (29,700 tons) at both the NW Landfill and Queen Creek Landfill shall be completely recycled.

PROGRESS REPORTS

- Current progress reports shall be submitted with each invoice to the Director, Solid Waste Management, or its designated representative. The progress reports shall include:
 1. Total quantity (tons) of tires removed from both Maricopa County Waste Tire Collection Sites separated by site and type of tire, i.e., passenger, semi-truck or off-road.
 2. Total quantity (tons) of tires transported to each recycling or final disposal site.
 3. Total quantity (tons) of tires recycled/disposed of at each disposal site.
 4. Verifiable documentation of recycling/disposal quantities i.e. production reports, certified affidavit, etc. from each disposal site.
 5. Progress bar charts showing contractual project timelines versus actual.
 6. Unforeseen and/or expected problems' causing delays in construction/production activities and planned corrective action including timeline for completion.

ATTACHMENT 1

ESTIMATED TIRE STORAGE AS OF NOVEMBER 15, 2002

Waste Tire Collection Site	Number of Tons		
	Passenger & Light Truck	Semi-Truck	Off-Road
Queen Creek	300	50	0
Northwest	26,000	2,000	20

Waste Tire Collection Site	Number of Tons		
	Passenger & Light Truck	Semi-Truck	Off-Road
CRM Facility	20,000	0	10,000

ESTIMATED VOLUME OF INCOMING TIRES

Waste Tire Collection Site	Number of Tons per Month		
	Passenger & Light Truck	Semi-Truck	Off-Road
Queen Creek	100	20	3
Northwest	1,475	630	35

These listed quantities in this Exhibit are estimates only and do not constitute guaranteed tonnages.

EXHIBIT C

SAMPLE INVOICE FORM

Company Name:

Address:

Invoice No. _____

Purchase Order No. _____

Contract No. _____

NAME OF SITE: _____

Manifest #	Weight Ticket #	Pickup Date	Recycling Date	Type of Tire	Quantity	Price/ Ton	Total Price

See Attachment Page 2

ATTACHMENT TO INVOICE.

Invoice No. _____

NAME OF SITE: _____

PASSENGER TIRES

Billing Period		Total Tires Received	Total Tires Recycled
From	To		
1/00/2000	1/18/2000		
1/19/2000	1/31/2000		
2/1/2000	2/16/200		

SEMI-TRUCK TIRES

Billing Period		Total Tires Received	Total Tires Recycled
From	To		
1/00/2000	1/18/2000		
1/19/2000	1/31/2000		
2/1/2000	2/16/200		

OFF-ROAD TIRES

Billing Period		Total Tires Received	Total Tires Recycled
From	To		
1/00/2000	1/18/2000		
1/19/2000	1/31/2000		
2/1/2000	2/16/200		

**EXHIBIT D
SAMPLE AFFIDAVIT FORM**

AFFIDAVIT

STATE OF _____)

COUNTY OF _____)

I _____, being of sound mind, age of majority and being duly cautioned and sworn in accordance with law, make the following statements based upon personal knowledge that they are true and correct.

I am employed by _____ located at _____ in the capacity of _____.

The following amount of waste tires have been transported, recycled and/or disposed of in accordance with A.R.S. § 44-1304 (D), methods listed in **SERIAL 02081-RFP, Exhibit B**, during the period from _____ to _____ and ending _____.

NORTHWEST REGIONAL SITE

a. _____ tons of passenger tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

b. _____ tons of semi-truck tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

c. _____ tons of off-road tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

QUEEN CREEK SITE

a. _____ tons of passenger tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

b. _____ tons of semi-truck tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

c. _____ tons of off-road tires were recycled by _____ method, which is in accordance with A.R.S. § 44-1304 (D) and Maricopa County Contract No **SERIAL 02081-RFP** by _____, at their plant located at _____.

Signature Date _____

Title (CEO/President)

Subscribed and sworn to before me this _____ day of _____, 200

Notary Public

My commission expires _____

Signature Date _____

Title (Plant/Production Manager)

Subscribed and sworn to before me this _____ day of _____, 200

Notary Public

My commission expires _____

EXHIBIT E

SAMPLE LIEN WAIVER FORM

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

(Pursuant to A.R.S. 33-1008)

PROJECT: ~~WASTE TIRE RECYCLING, REMOVAL AND FINAL DISPOSAL~~

1. ~~Northwest Regional Landfill, 19041 W. Deer Valley Rd., Wittman, AZ 85361~~
2. ~~Queen Creek Landfill, 26402 S. Hawes Rd., Queen Creek, AZ 85242~~

CONTRACT NUMBER: ~~02081-S~~

JOB NUMBER: _____

The undersigned has been paid and received a progress payment in the sum of \$_____ for all labor, services, equipment or materials furnished to the jobsite or to CRM on the job of ~~WASTE TIRE RECYCLING, REMOVAL AND FINAL DISPOSAL~~ located at the _____ Maricopa Landfill Site and does hereby release any mechanics lien, any state or federal statutory bond right, any private bond right, any claim or payment rights for persons in the undersigned's position that the undersigned has on the above referenced project to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to the jobsite or to CRM through _____ only and does not cover any pending retention, modifications and changes or items furnished after that date.

The undersigned warrants that it either has already or will use the monies it receives from this progress payment to promptly pay in full its laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of the waiver.

Date: _____

Signature: _____

Title: _____

Address: _____

EXHIBIT F

TIRE REMOVAL AND RECYCLING SCHEDULE

NORTHWEST REGIONAL SITE							
DATE	Estimated Tons	Incoming			Accum Gain	Minimum Removal	Remaining Balance
		Pass	Semi	OTR			
01/31/2003	29,700	1,475			31,175	2560	28,615
02/28/2003		1,475			30,090	3460	26,630
03/31/2003		1,475			28,105	3460	24,645
04/30/2003		1,475			26,120	4360	21,760
05/31/2003		1,475			23,235	3460	19,775
06/30/2003		1,475			21,250	3460	17,790
07/31/2003		1,475	630	35	19,930	3460	16,470
08/31/2003		1,475	630	35	18,610	4360	14,250
09/30/2003		1,475	630	35	16,390	3460	12,930
10/31/2003		1,475	630	35	15,070	3460	11,610
11/30/2003		1,475	630	35	13,750	3460	10,290
12/31/2003		1,475	630	35	12,430	4360	8,070
01/31/2004		1,475	630	35	10,210	3460	6,750
02/29/2004		1,475	630	35	8,890	3460	5,430
03/31/2004		1,475	630	35	7,570	4360	3,210
04/30/2004		1,475	630	35	5,350	3470	1,880

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QUEEN CREEK SITE							
DATE	Estimated Total Tons	Incoming			Accum Gain	Minimum Removal	Remaining Balance
		Pass	Semi	OTR			
01/31/2003	400	100	20	3	500	140	360
02/28/2003		100	20	3	460	140	320
03/31/2003		100	20	3	420	140	280
04/30/2003		100	20	3	380	140	240
05/31/2003		100	20	3	340	140	200
06/30/2003		100	20	3	300	140	160
07/31/2003		100	20	3	283	140	143
08/31/2003		100	20	3	266	140	126
09/30/2003		100	20	3	249	140	109
10/31/2003		100	20	3	232	140	92
11/30/2003		100	20	3	215	140	75
12/31/2003		100	20	3	198	140	58
01/29/2004		100	20	3	181	140	41
02/29/2004		100	20	3	164	140	24
03/31/2004		100	20	3	147	140	7
04/30/2004		100	20	3	130	130	0

0

TOTAL BOTH SITES							
DATE	Estimated	Incoming			Accum	Minimum	Remaining
	Tons	Pass	Semi	OTR	Gain	Removal	Balance
01/31/2003	30,100	1,575	20	3	31,675	2,700	28,975
02/28/2003	0	1,575	20	3	30,550	3,600	26,950
03/31/2003	0	1,575	20	3	28,525	3,600	24,925
04/30/2003	0	1,575	20	3	26,500	4,500	22,000
05/31/2003	0	1,575	20	3	23,575	3,600	19,975
06/30/2003	0	1,575	20	3	21,550	3,600	17,950
07/31/2003	0	1,575	650	38	20,213	3,600	16,613
08/31/2003	0	1,575	650	38	18,876	4,500	14,376
09/30/2003	0	1,575	650	38	16,639	3,600	13,039
10/31/2003	0	1,575	650	38	15,302	3,600	11,702
11/30/2003	0	1,575	650	38	13,965	3,600	10,365
12/31/2003	0	1,575	650	38	12,628	4,500	8,128
01/31/2004	0	1,575	650	38	10,391	3,600	6,791
02/29/2004	0	1,575	650	38	9,054	3,600	5,454
03/31/2004	0	1,575	650	38	7,717	4,500	3,217
04/30/2004	0	1,575	650	38	5,480	3,600	1,880

The estimates is based upon using
165 tons passenger, 264 tons per semi-truck and 360 tons for OTR per cell.

CRM OF AMERICA CO LLC, 11400 E. PECOS ROAD, QUEEN CREEK, AZ 85242
15800 SOUTH AVALON BOULEVARD, RANCHO DOMINGUEZ, CA 90220

Terms:	NET 30
Vendor Number:	W000004062 X
Telephone Number:	480/987-3006
Fax Number:	480/987-0965
Contact Person:	Dawn Helms
E-mail Address:	dhelms@crmrubber.com
Certificates of Insurance	Required
Performance Bond Required	\$500,000.00
Contract Period:	To cover the period ending January 01, 2013.